

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,)	
regarding administration and operation of the)	Case No. U-13129
Low-Income and Energy Efficiency Fund.)	
_____)	

At the September 15, 2009 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

OPINION AND ORDER

The Customer Choice and Electricity Reliability Act, 2000 PA 141, authorized the creation of the Low-Income and Energy Efficiency Fund (LIEEF) administered by the Commission via grants to qualifying organizations. The purpose of the fund is to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes. The fund's original source of funding was the utilities' securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. MCL 460.10d(7) provides for the use of a portion of the savings.

The Detroit Edison Company's (Detroit Edison) interim rate relief order issued on February 20, 2004 in Case No. U-13808 rolled the LIEEF funding requirement into base rates for Detroit Edison's electric customers and continued funding the LIEEF as part of the utility's cost of service. Consumers Energy Company's orders issued on December 22, 2005 in

Case No. U-14347 and November 21, 2006 in Case No. U-14547 have also made provisions for funding the LIEEF. In prior orders in this docket, the Commission established a framework for administering the LIEEF and procedures for considering specific proposals.

The Commission has issued orders approving 27 rounds of grants in the aggregate amount of \$518,099,401, and has administered funds specially allocated by the Legislature in the amount of \$25,000,000 from the LIEFF for a total of \$543,099,401.

On April 1, 2009, the Commission invited organizations to submit proposals to provide energy efficiency to low-income households. By the April 22, 2009 deadline, the following organizations submitted proposals seeking a total of \$35,209,001: Department of Human Services; Great Lakes Energy Service; Inter-Tribal Council of Michigan, Inc.; Michigan Community Action Agency Association; New Power, Inc.; Newaygo County Community Services; Society of St. Vincent de Paul of Detroit; United Way for Southeastern Michigan; Urban Options, Inc., and WARM Training Center.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In awarding the grants, the Commission used the selection criteria outlined in the Request for Proposals.

Based on its review of the applications, the Commission awards the following grants:

- Department of Human Services - \$10,361,522 in total for statewide distribution to low-income households for energy efficiency upgrades, with up to 20% of the grant available for energy education.
- Newaygo County Community Services - \$859,211 for weatherization of low-income homes in the mid-Michigan area.
- United Way for Southeastern Michigan - \$1,000,000 for matching grants to non-profit facilities for energy efficiency upgrades, energy efficiency audits, and energy efficiency weatherization education.
- Urban Options, Inc. - \$917,894 for weatherization of low-income clients' homes, with a focus on heating systems and energy education.

- WARM Training Center - \$861,373 for energy education for customers who receive energy assistance.

For those grantees receiving less than requested in their proposals, the proportion of funds for direct assistance to indirect costs and overhead will remain the same as in their original requests. The Commission directs the Commission Staff to complete the necessary grant agreement documents with the grantees. The Commission expects that, following approval by the appropriate agencies, the grant recipients will make these additional funds available to low-income customers as soon as possible. As always, the grants are contingent upon review and approval of the State Administrative Board.

THEREFORE, IT IS ORDERED that:

A. The following grants for a total of \$14 million are approved contingent upon the enactment of necessary appropriations for the fiscal year beginning October 1, 2009 and ending September 30, 2010:

- Department of Human Services - \$10,361,522 in total for statewide distribution to low-income households for energy efficiency upgrades, with up to 20% of the grant available for energy education.
- Newaygo County Community Services - \$859,211 for weatherization of low-income homes in the mid-Michigan area.
- United Way for Southeastern Michigan - \$1,000,000 for matching grants to non-profit facilities for energy efficiency upgrades, energy efficiency audits, and energy efficiency weatherization education.
- Urban Options, Inc. - \$917,894 for weatherization of low-income clients' homes, with a focus on heating systems and energy education.
- WARM Training Center - \$861,373 for energy education for customers who receive energy assistance.

B. The Commission Staff shall complete the necessary grant agreement documents with the grantees.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of September 15, 2009.

Mary Jo Kunkle, Executive Secretary